

Message Text

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PAGE 01 EC BRU 06489 141614Z

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 EURE-00 SSO-00 INRE-00 NSCE-00

USIE-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 EB-11

FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10

PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08 TAR-02

TRSE-00 PRS-01 SPC-03 OMB-01 DRC-01 /178 W

----- 123899

O R 141529Z NOV 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 6021

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGE

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

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PASS AGRICULTURE

E.O. 11652: NA

TAGS: EAGR, EEC

SUBJECT: MIP'S FOR PROCESSED FRUITS AND VEGETABLES

REF: (A) EC BRUSSELS 6485; (B) EC A-759 OF 8/7/68;

(C) EC A-278 OF 8/4/71.

1. FOLLOWING IS A SUBSTANCE OF THE DRAFT PROPOSALS REFERRED

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PAGE 02 EC BRU 06489 141614Z

TO IN PARAGRAPH 5 OF REFTEL A.

2. BY 1974, A SYSTEM OF SO-CALLED FLOOR PRICES (QUOTE PRIX PLANCHER UNQUOTE) SHALL BE ESTABLISHED FOR PEELED TOMATOES (EX 20.02 C), CANNED PEACHES (EX 20.06B), TOMATO JUICES (EX 20.07 B), CONCENTRATED ORANGE JUICES (EX 20.07 A III AND 20.07 B II A)1), CONCENTRATED LEMON JUICES (EX 20.07 A III AND 20.07 B II A)3), AS WELL AS NATURAL ORANGE JUICES (EX 20.07 B II B)1). THESE FLOOR PRICES MAY BE DIFFERENTIATED ACCORDING TO QUALITY, PACKING AND PRESENTATION.

3. THE LEVEL OF THE FLOOR PRICES AS WELL AS THE EFFECTIVE DATE AT WHICH THEY COME INTO FORCE SHALL BE DETERMINED BY THE COUNCIL ON THE BASIS OF THE CIF IMPORT PRICES OF THESE PRODUCTS DURING THE TWO YEARS PRECEDING THEIR APPLICATION AND IN THE LIGHT OF PRICES ON THE PRINCIPAL WORLD IMPORT MARKETS. (THE DRAFT REGULATION SAYS THAT THE FLOOR PRICES SHALL NOT HAVE A MORE RESTRICTIVE TRADE EFFECT THAN THE MEASURES OF PROTECTION (I.E. QR'S) PREVIOUSLY APPLIED BY THE MEMBER STATES.)

4. THE COUNCIL SHALL DETERMINE THE FLOOR PRICES ONLY FOR CERTAIN PILOT PRODUCTS. THE COMMISSION, IN AGREEMENT WITH THE MANAGEMENT COMMITTEES, SHALL ESTABLISH COEFFICIENTS TO DERIVE FROM THE FLOOR PRICES FOR THE PILOT PRODUCTS THE FLOOR PRICES FOR OTHER PRODUCTS IN ACCORDANCE WITH QUALITY, PACKING AND PRESENTATION.

5. THE IMPORTATION OF ALL PRODUCTS MENTIONED IN PARAGRAPH 2 SHALL BE SUBJECT TO AN IMPORT CERTIFICATE. THIS CERTIFICATE SHALL BE ACCOMPANIED BY A SURETY GUARANTEEING THAT THE QUANTITIES MENTIONED IN THE CERTIFICATE SHALL BE IMPORTED WITHIN A SPECIFIED TIME PERIOD LEST THE SURETY BE FORFEITED. MOREOVER, THERE SHALL BE A SECOND SURETY GUARANTEEING THAT THE CIF PRICE PLUS THE IMPORT DUTY OF THE IMPORTED PRODUCTS BE EQUAL OR SUPERIOR TO THE FLOOR PRICE. THIS SURETY SHALL BE FORFEITED IF THE PRICE OF THE IMPORTED PRODUCT, DUTY PAID, IS BELOW THE FLOOR PRICE. HOWEVER, THIS SECOND SURETY SHALL NOT BE REQUESTED FROM THIRD COUNTRIES ABLE AND WILLING TO GUARANTEE THAT THE PRICES OF THEIR PRODUCTS WILL NOT BE BELOW THE FLOOR PRICE.

6. IF THE SUGAR-ADDED LEVY FOR THE ABOVE-MENTIONED PRODUCTS IS LIMITED OFFICIAL USE

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PAGE 03 EC BRU 06489 141614Z

FIXED IN ADVANCE, THE IMPORT CERTIFICATE FOR THE ADVANCE FIXING OF THE SUGAR LEVY AND THAT USED FOR THE IMPORTATION OF THE AFOREMENTIONED PRODUCTS SHALL BE THE SAME.

7. FOR TOMATO CONCENTRATES (CXT NO. EX 20.02 C), A SIMILAR SYSTEM SHALL BE ESTABLISHED. IN THIS CASE, THE COMMISSION'S DRAFT PROPOSAL DOES NOT SPEAK OF A FLOOR PRICE BUT OF A QUOTE MINIMUM IMPORT PRICE UNQUOTE BECAUSE THIS PRICE IS NOT TO BE

BASED ON HISTORICAL IMPORT PRICES, LIKE THAT FOR THE OTHER PRODUCTS, BUT ON THE AVERAGE PRODUCTION COSTS IN THE COMMUNITY DURING THE PAST TWO YEARS.

8. FOR CANNED PINEAPPLES (CXT NO. EX 20.06 B), THE SYSTEM OF FLOOR PRICES SHALL GO INTO EFFECT ONLY AFTER A SYSTEM OF PRODUCTION SUBSIDIES FOR THE CANNING OF PINEAPPLES HAS BEEN ESTABLISHED. THESE PRODUCTION SUBSIDIES ARE TO BE GIVEN TO CANNERS OF PINEAPPLE IN THE MEMBER STATES WHO COMMIT THEMSELVES TO PAY A MINIMUM PRICE TO THE GROWERS OF PINEAPPLES. THE AMOUNT OF THE SUBSIDY GIVEN TO THE CANNER SHALL BE FIXED BY TAKING INTO ACCOUNT THE MINIMUM PRICES TO BE PAID TO THE GROWER AND THE PRICES OF CANNED PINEAPPLES ON THE WORLD MARKET.

9. UPON THE COMING-INTO-FORCE OF THE SYSTEM OF MIP'S, ALL QR'S STILL APPLIED IN THE MEMBER STATES FOR THE PRODUCTS SUBJECT TO COUNCIL REGULATION NO. 865/68 (REF B) ARE TO BE ABOLISHED. HOWEVER, IN ACCORDANCE WITH ARTICLE 115 OF THE ACCESSION TREATY, THE U.K. MAY RETAIN FOR THE TIME BEING QR'S FOR ORANGE AND PINEAPPLE JUICES AND FOR PINEAPPLE SEGMENTS.

10. THE DRAFT PAPER CONTAINS ALSO THE USUAL SAFEGUARD CLAUSE AND ABOLISHES COUNCIL REGULATION NO. 1427/71 (REF C), WHICH PROVIDED FOR ESCAPE-CLAUSE ACTION IN THE PERIOD DURING WHICH THE COMMUNITY'S IMPORT SYSTEM FOR PROCESSED FRUITS AND VEGETABLES WAS NOT YET UNIFIED. GREENWALD

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